

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: OCCUPANCY TAX COORDINATION

DATE: JUNE 30, 2010

COMMITTEE MEMBERS PRESENT:

SUPERVISORS KENNY
MERLINO
CHAMPAGNE
GOODSPEED
MCCOY
CONOVER

COMMITTEE MEMBER ABSENT:

SUPERVISOR BENTLEY

OTHERS PRESENT:

FRANK O'KEEFE, TREASURER
REPRESENTING THE TOURISM DEPARTMENT:
KATE JOHNSON, DIRECTOR
LEISA GRANT, PRINCIPAL ACCOUNT CLERK
MICHAEL CONSUELO, SPECIAL EVENTS COORDINATOR
PAUL DUSEK, COUNTY ATTORNEY/COMMISSIONER OF ADMINISTRATIVE &
FISCAL SERVICES
JOAN SADY, CLERK OF THE BOARD
SUPERVISORS BELDEN
LOEB
GIRARD
STEC
STRAINER
TAYLOR
THOMAS
REPRESENTING THE ADIRONDACK HOT AIR BALLOON FESTIVAL:
MIKE MCCARTHY
MARK DONAHUE
JOAN GRISHKOT
WALTER GRISHKOT
LUISA CRAIGE-SHERMAN, LAKE GEORGE REGIONAL CHAMBER OF COMMERCE
DON LEHMAN, *THE POST STAR*
AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 10:17 a.m.

Motion was made by Mr. Conover, seconded by Mr. Goodspeed and carried unanimously to approve the minutes of the May 27, 2010 Committee meeting, subject to correction by the Clerk of the Board.

Commencing with Agenda Item III, privilege of the floor was extended to Frank O'Keefe, County Treasurer, to provide a report on revenues. Mr. O'Keefe apprised that the occupancy tax revenues collected thus far for 2010 totaled \$544,672, which was \$46,980 more than had been collected at the same time during the prior year. Although the figure represented a 9% increase in collections, he cautioned the Committee that due to the fluctuating state of the economy it was unknown whether this trend would continue.

Moving on to Agenda Item IV, subsection A, Mr. Kenny advised the Great Escape/Six Flags Holiday in the Park event had been cancelled and the \$25,000 in occupancy tax funding awarded had been returned, raising the occupancy tax funding available to a total of \$32,971.

Motion was made by Mr. Champagne, seconded by Mr. Merlino and carried unanimously to return the \$25,000 relinquished by the Great Escape/Six Flags back into the occupancy tax fund, thereby amending Resolution No. 816 of 2009, and the necessary resolution was authorized for the July 16th Board meeting.

As there were now additional funds available for distribution, Mr. Kenny announced that Agenda Item IV, subsection B, referred to four requests for occupancy tax funding which he described as follows:

1. Adirondack Hot Air Balloon Festival, Inc., seeking \$25,000 for the 2010 Balloon Festival;
2. Last of the Mohicans, seeking \$20,000 for their summer outdoor drama series;
3. The Lake George Charitable Foundation, seeking \$1,000 for the Peak Season Century Ride; and
4. Adirondack Phantoms.

Mr. Kenny advised the agenda included copies of the funding applications submitted by the Adirondack Hot Air Balloon Festival and The Lake George Charitable Foundation; he added that the requests received from the Last of the Mohicans and Adirondack Phantoms organizations had been presented verbally.

Beginning with the Adirondack Hot Air Balloon Festival, Inc., Mr. Kenny reminded the Committee they had reviewed the application at their prior meeting but had determined the request should be postponed until representatives of the Festival Board of Directors could be present to participate in further discussion and he pointed out that Board members were in attendance to answer any questions the Committee might have. As a point of clarification, Mr. Kenny advised the Balloon Festival events had previously been funded by the County through the Public Works Departmental budget; he added that a few years ago the County had determined it was more appropriate to award occupancy tax funding for the event as it was the second largest event held in Warren County. He concluded that \$20,000 in occupancy tax funding had been awarded for the 2009 Balloon Festival.

Mr. Champagne said he had read a newspaper article indicating there were additional vendors participating in the Festival which would provide increased revenues for the event. Mike McCarthy, President of the Adirondack Hot Air Balloon Festival Board of Directors, replied that initially they had anticipated the need to attract additional vendors for the event to increase associated revenues in light of Walter Grishkot's, Adirondack Hot Air Balloon Festival Board member, inability to seek out the traditional level of sponsorship advertising and contributions for the event due to his declining health. However, he advised, they had subsequently determined that taking over the sale of the t-shirt and souvenir items sold at the event would compensate for the decrease in sponsorship dollars, allowing them to avoid increasing the number of vendors participating in the Balloon Festival. Mr. McCarthy advised the only change in vendor participation for 2010 would be the addition of New Way Lunch who would be permitted to sell their popular hot dogs during the event; he added the remaining vendors would be the same local not-for-profit organizations that had participated in prior years.

Mr. McCarthy apprised the Balloon Festival Board of Directors was in the midst of a transitional period as it was a big task for the Board to take on the advertising sale responsibilities that Mr. Grishkot had solely undertaken in prior years. In addition to assuming the sale of souvenir items, he said they were also introducing a craft show which would raise revenues while providing an alternate activity for Festival attendees. Mr. McCarthy noted that although efforts were being made to increase the event related revenues, financial assistance from the County was needed during this transitional phase. Mr. Champagne questioned whether there were other outside vendors seeking to participate in the event and Mr. McCarthy replied that there were, but noted that no additional changes in vendors would be made for the 2010 event. When asked if these vendors would be allowed to participate in the 2011 Balloon Festival event, Mr. McCarthy advised they preferred not to include additional commercial vendors in order to maintain the traditional spirit of the event which was to support local groups.

Mr. McCoy stated his preference to listen to presentations and review applications from all groups seeking funding before making any awards.

A brief independent review of the Adirondack Hot Air Balloon Festival, Inc. and The Lake George Charitable

Foundation funding applications ensued.

Mr. Conover pointed out that as per information included on the application, the Town of Queensbury was contributing \$10,000 to the Balloon Festival event and he said Mr. McCoy had just advised the Town of Lake George was contributing \$10,000 to the Last of the Mohicans outdoor drama series, which he felt was a strong show of support for both events.

When questioned on the Last of the Mohicans request, Leisa Grant, Principal Account Clerk, apprised they had initially requested a total of \$39,000 in occupancy tax funding and had been awarded \$10,000; she added they were now seeking an additional \$20,000.

Speaking on behalf of the Last of the Mohicans organization, Luisa Craige-Sherman, of the Lake George Regional Chamber of Commerce (LGRCC), announced actors for the Last of the Mohicans outdoor drama series were currently rehearsing in Albany, NY. She noted that they would have preferred to attract actors from the Lake George area, but were unable to do so due to the number of other theatrical performances taking place in the region. Mrs. Craige-Sherman said the stage was set in the courtyard of the Fort William Henry Resort and they had already begun ticket pre-sales for the August 5 - 10, 2010 series. She advised the costumes were being made and advertising efforts undertaken; she added they had scaled back considerably on the set, costume and advertising budgets due to reductions in funding. Mrs. Craige-Sherman concluded that she would provide a more detailed update on the event in her report which would be given later in the meeting.

Moving on, privilege of the floor was extended to David Kramer, Sponsorship Coordinator for The Lake George Charitable Foundation, who explained the \$1,000 in occupancy tax funding requested would be used in connection with the Peak Season Century Ride which consisted of a 100-mile bike ride around Lake George with all funds generated being contributed to the Leukemia and Lymphoma Society (LLS). He noted this would be part of the Team and Training Program which worked to train people for events such as this; he added that the LLS worked with the Team and Training Program to coordinate events throughout the United States. Mr. Kramer apprised the Peak Season Century Ride was modeled after America's Most Beautiful Bike Ride which was held in Lake Tahoe in the States of California and Nevada and served as a destination event attracting 4,500 participants and raising approximately \$6 million annually for the LLS. He said the Peak Season Century Ride was being held for the second year and they expected to attract between 150 to 200 participants, but noted they anticipated a number of the participants would be local residents; therefore, he added, occupancy in the vicinity of 20-50 families was expected for the event which would be held the first weekend in October. Mr. Kramer said they expected participation in the event to increase over the coming years and had already received confirmed funding from Cabot Creamery and Alchar Printing Co. He concluded the Village of Lake George and Fort Ticonderoga had already made agreements for emergency services, traffic and police control during the event.

Mr. Kenny questioned whether there was anyone present to speak on the funding request submitted by the Adirondack Phantoms organization and Kate Johnson, Tourism Director, replied in the negative, noting that she had received the request by telephone on the previous day. She said she had discussed the funding distribution process with the event organizer and assumed that because no representative was present, they had decided to wait until December to apply for the next round of occupancy tax funding in 2011.

Subsequent to further consideration of the applications received, motion was made by Mr. Merlino, seconded by Mr. McCoy and carried unanimously to award occupancy tax funding in the amounts of \$20,000 to the Adirondack Hot Air Balloon Festival, Inc., \$10,000 to the Last of the Mohicans and \$1,000 to The Lake George Charitable Foundation, thereby amending Resolution No. 816 of 2009, and the necessary resolution was authorized for the July

16th Board meeting.

Mrs. Craige-Sherman thanked the Committee for their support of the Last of the Mohicans outdoor drama series and proceeded to provide a full report on the event; informational packets pertaining to the performances, including casting information, were distributed to the Committee members, a copy of which is also on file with the minutes. She apprised that in 2006 the University of North Carolina Institute of Outdoor Drama had performed a feasibility study which indicated that an outdoor drama theater had the potential to raise considerable revenues as a ticketed event; however, she noted, as a not-for-profit event, they required financial assistance for start-up costs. Mrs. Craige-Sherman announced there were many similar theatrical events operating successfully around the Country and they needed an awe inspiring first season to make the Last of the Mohicans series successful, as well. She stated that some transitions had been required when program funding was initially decreased, including the fiscally responsible decision to use the courtyard of the Fort William Henry Resort as the stage for their performances, rather than to create a new venue from a virgin landscape; she added that although they were only scheduled for a week of performances for 2010, they had committed to an eight-week performance schedule for 2011. Mrs. Craige-Sherman thanked the Committee once again for committing additional funding and noted that it would be used for advertising purposes. She concluded her report by announcing the upcoming "Mohicans on the Mohican Benefit Boat Cruise" which was scheduled to be held on July 12th during which attendees would have the opportunity to meet cast members of the Last of the Mohicans production.

In response to Mr. Champagne's inquiry regarding estimated revenues, Mrs. Craige-Sherman indicated that they anticipated seating for 300 to 350 patrons, which would incur revenues of \$20,000 to \$30,000 per week, based on 70% to 100% occupancy.

Discussion ensued.

Continuing to Agenda Item V, Mr. Kenny addressed the listing of items pending from prior Committee meetings as follows:

1. Mr. Kenny announced that discussion regarding the establishment of a capital project to fund tourism related projects, such as renovations to the Gaslight Village property was no longer pertinent since the Town of Lake George had offered to perform renovations to the Cavalcade of Cars Building and he asked that the item be removed from the pending items list;
2. As discussion was held earlier in the meeting relative to the application submitted by the Adirondack Hot Air Balloon Festival, Inc. for occupancy tax funding Mr. Kenny advised this item could be removed, as well; and
3. Respective to the use of occupancy tax funding for Town of Lake George libraries, Mr. McCoy said he had written letters to the libraries assuring that they would receive funding through the Town budget, but no longer through occupancy tax funding. He said this decision was made by the Town of Lake George's Occupancy Tax Committee, based on the feeling there were more pressing needs for the occupancy tax funding, and he did not feel the matter warranted consideration on a County level. Mr. McCoy advised the letters seemed to have appeased those opposing the removal of occupancy tax funding.

Mr. Kenny apprised that the use of occupancy tax funding by the individual communities was subject to review by the County Attorney and he asked Paul Dusek, County Attorney/Commissioner of Administrative & Fiscal Services, to speak on the matter. Mr. Dusek said the contracts had been developed between the County and towns in order to assure the occupancy tax monies would be used for tourism promotion and convention development, with the

County Attorney's Office being charged with the responsibility of following up with each town on an annual basis to ensure reports were submitted to the County outlining how funds had been expended. In this review, he said it was brought to the attention of his staff that there was some concern regarding funds listed on the Lake George report indicating contributions to two libraries and there was some question as to whether this qualified under the occupancy tax use regulations. Mr. Dusek said it was his responsibility to bring this issue to the attention of the Committee, who would then advise whether the funds were being appropriately distributed, as well as to determine an appropriate course of action to remedy the situation if necessary. He stated that in this situation, it appeared the funding contributed to one library was being used in a manner legitimately promoting tourism, while the other was not. Mr. Dusek concluded that it appeared Mr. McCoy had already addressed the current situation in a manner acceptable to all parties.

Mr. Merlino stated that the Town of Lake Luzerne contributed some of its occupancy tax funding to their local library for the purpose of holding public demonstrations and programs designed to draw attendees to the area and he questioned whether such use of funding was permissible. Mr. Dusek replied affirmatively, noting that events designed to draw patrons to the town was appropriate; however, he noted, use of occupancy tax dollars to purchase books or support the infrastructure of a residential library, was not.

Subsequent to further discussion, it was the consensus of the Committee that Mr. McCoy had resolved the matter appropriately and that no Committee action would be necessary. Mr. Kenny advised that the issue should be removed from the pending items list.

Concluding the agenda review with Item VI, privilege of the floor was extended to Mike Consuelo, Sales/Special Events Convention Coordinator, who proceeded to review his Monthly Activity Report for June of 2010. During his report, Mr. Consuelo reported with displeasure that due to unforeseen, significant shortfall in its national training budget, the United States Department of Treasury Internal Revenue Service had to cancel the Criminal Investigation Conference which had been scheduled to take place on the week of June 20 - 25, 2010. He noted that the Conference, which would have been held at the Lake George Forum and accounted for 1,000 room nights in three Warren County hotels, would have brought an economic impact of approximately \$150,000 to the area. On a positive note, Mr. Consuelo said the organization had pledged to reschedule the Conference if changes in the training budget allowed appropriate funding. He proceeded to report on a significant lead received from The Philadelphia Church of God, which was considering the area for its Annual Conference for the years 2013 - 2015. For further details, please review Mr. Consuelo's full report, a copy of which is on file with the minutes.

As there was no further business to come before the Committee, on motion made by Mr. Goodspeed and seconded by Mr. Conover, Mr. Kenny adjourned the meeting at 10:59 a.m.

Respectfully submitted,
Amanda Allen, Sr. Legislative Office Specialist